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NAKASONE DISCUSSES FOREIGN, DOMESTIC ISSUES

OW122307 Tokyo NHK General Television Network in Japanese 1300 GMT 12 Aug 87

[Interview with Prime Minister Yasuhiro Nakasone by NHK reporters Hisanori Isomura and Midori Miyazaki, entitled "International Community and Japan's Responsibility" -- on 12 August; place not given -- recorded]

[Excerpts] [Passage omitted] [Isomura] I would like to move on from our discussion of the haiku poem to problems of the real world. First let us take up the current INF -- intermediate-range nuclear forces -- negotiations. The U.S.-USSR talks began with the so-called zero-option plan seeking to remove intermediate-range missiles, which expanded to a double zero option also including short-range missiles, then to a global zero option this time even including missiles south of the Urals, which the Soviet Union had first threatened to leave intact, as an insult to us, the Asian peoples, as you often called it, Mr Prime Minister. I feel that this development is likely to set a milestone in the postwar international politics and usher in a multipolar era as the posthegemony system, so to speak. What is your general view of today's world, Mr Prime Minister?

[Nakasone] In the military context, I see it as a bipolar world controlled by the two poles, the United States and the USSR. Politically and economically, however, it is becoming an increasingly multipolar world; the process of dispersion is rapidly under way. This is the state of the world today and it is developing even now, I think. The United States and the USSR are running out of breath in the race of the military bipolar era. They have a restless frame of mind. Mr Gorbachev thinks that there must be a reform of the Soviet communism, and that otherwise it has no future. He also sees difficulties in the foreign policy area. On the part of Mr Reagan, too, the U.S. economy is not in very good shape with such problems as the budget deficit and more seriously, the trade deficits, still unresolved. Under these circumstances, the two poles decided to hold talks with the belief that it is about time for them to stop doing wasteful things once and for all. This is a very good phenomenon. There is a very great possibility, I believe for the current disarmament talks on the INF to make progress and an agreement will be reached. The reason is that both sides want such an agreement. The question in reaching a compromise is verification, and in this connection, the Soviet Union has recently made a somewhat positive move, which I believe will push negotiations forward significantly. The foreign ministers of the two countries will meet in September to pave the way. I think there is a growing possibility of a Reagan-Gorbachev meeting. I myself have personally been urging both Mr Reagan and Mr Gorbachev to hold such a meeting; in doing so, I was trying to expedite the meeting. We will continue to make efforts to have the meeting realized. [passage omitted]

Along with economic factors, Japan-U.S. relations are extremely important. I believe that the two nations should firmly remain together as the core of the free world. There will be no flirting on my part. We will absolutely hold on to Japan-U.S. relations as the axis, then on that basis we will develop firm and friendly relations with China and join hands firmly with the ROK and ASEAN nations. We will thus solidify our position first and then go ahead to advance negotiations with the Soviet Union. In our relations with the Soviet Union, we will work to advance peace and long-term stability, friendship and good neighborliness. Most important in this regard is the territorial issue. While working on that issue and other issues, we will continue to advance. This is my position.

However, recent developments indicate that we should be seriously concerned about Japan-U.S. relations, which are the nation's central relations. What has been called economic friction to date is developing into security problems. The Toshiba case undermines not only the security of the free world but the security of Japan itself. I have been saying that in that sense the case was treachery against the Japanese people. I used very strong words. It should be perceived as a matter concerning Japan itself rather than only other countries and the world in general.

Meanwhile, speaking of U.S. congressional moves, in addition to economic problems, security is emerging as an issue as seen in the case of Japan's next-generation fighter plane. The major task facing Japanese politicians today is to ensure the closest relations between the two nations so that nothing can affect them concerning security arrangements, even in the slightest way. Needless to say, we should take the Japanese people's feelings into consideration in working out a solution satisfactory to both sides. This, of course, applies to the Toshiba case and the fighter plane issue, too, as well as to other problems. This is my view.

[Miyazaki] You have just emphasized the importance of Japan-U.S. relations. In the present world situation, which is bipolar militarily; and multipolar politically and economically as we have discussed, economic activity has increasing impact on security. Meanwhile, Japan-U.S. economic friction itself is at a critical juncture. Under these circumstances, it appears that we no longer are in a phase where problems can be solved through such Japan-U.S. Summit talks as characterized by the so-called Ron-Yasu [Ronald-Yasuhiro] relationship. Would you comment on how problems should be dealt with in the future?

[Nakasone] I do not necessarily agree with you. The White House still remains remarkably powerful; as for Japan, it remains united around the LDP. The problem lies in the relationship between the U.S. Congress and the U.S. President.

[Miyazaki] There is a climate on the rise in the Congress toward keeping the President from invoking his veto power.

[Nakasone] Well, you may say so, but take a look at the psychology of the members of the Congress. They are indeed complaining about the Japanese economy and are even engaged in Japan bashing; none of them, however, think that there should be any decisive deterioration in the relations with Japan. They know very well that Japan-U.S. relations have become the most important of all relations. They are only dissatisfied with the fact that Japan is not doing everything it should do. As I said, no one wants to see Japan-U.S. relations collapse. Therefore, I believe that there is the possibility of the U.S. Congress and the President reaching a compromise over reducing protectionism so as not to undermine relations with Japan. Speaking of veto, Mr Reagan will use his veto power if he finds himself having no other alternatives. If a bill should be that heavily protectionist, fewer members of Congress will support it. That is why I think that the President can successfully veto it. How the language should be worked out for legislation that is not so protectionist and yet effective against Japan -- that will depend on the bargaining between the Congress and the President from now on. In that process, we must provide a supporting fire and a support force to help the President prevail and have his way. This is the big job we must do during the whole month of September.

[Isomura] I agree.

[Nakasone] Revising our Foreign Exchange and Trade Law is one of the effective and important things we must do to that end. In that sense, the necessary legislation should be passed as soon as possible.

[Isomura] As you said, Mr Prime Minister, Japan-U.S. disputes are now spreading to security. For example, tension is mounting in the Persian Gulf; the United States, which relies on the Gulf oil for only 10 percent of its needs, is taking on the whole security job, although, according to newspaper reports this morning, the UK and France have finally decided to send their minesweepers. This situation will very likely cause the U.S. Congress to again accuse Japan of being selfish, of failing to fulfill its obligations while raking in money through trade. Trade bills are being worked on in the Congress for a possible passage in the fall. Recently, there was an article in a U.S. newspaper saying that while trade bills are by no means a sexy -- gaudy, that is -- issue, they will be a major issue in the presidential election next year. Then, there is the possibility that Japan will be used as a scapegoat for whatever they are unhappy with. This makes every move of Japanese politicians extremely important, I believe.

[Nakasone] As you say, the 1988 presidential election is already on the agenda in the United States. It is a fact that trade bills are being used to gain advantage in the campaign by each candidate. In that context, it is also true, politically, that Japan is singled out as the target of criticism. Even in that situation, it is an established fact that they want to avoid a collapse in Japan-U.S. relations. Therefore, we can overcome the difficulty in this regard if we do our best.

[Isomura] Another problem comes from the current Japan-U.S. trade imbalance -- that is, the U.S. deficit against the surplus on our part. While economists differ in their views, the majority view is that although Japan has its problems to correct, the U.S. economic management is not making serious efforts to bring down its twin deficits, and that Americans in responsible positions are unaware of the seriousness of the situation. This is the greatest cause of the imbalance. For example, I recently met Donald Regan, former secretary of the treasury and White House chief of staff, at a symposium. He painted a very rosy picture saying that the United States certainly does not have to worry about the deficits, defense spending, which is now approximately \$291.8 billion, can be cut if a compromise is reached with the Soviet Union, which could solve the deficit problem right away and Japanese critics need not make a noise about it, that the U.S. economy is showing a high growth and keeping inflation down, and so on, so forth. He was quite optimistic, and I disputed his view at the symposium. When you met with President Reagan and other U.S. officials, did you not tell them that while we do our part to correct problems, they would also straighten up and do their part?

[Nakasone] I made a very strong statement about it during my latest meeting with the President in Venice. I said, in effect, that the United States has great, worldwide influence, and its problems have effects beyond its borders, that Japan now finds itself in a similar position, and that the two of us should do our best to play our part. In the past, free world nations have refrained from giving the United States any strong advice, because, in view of the assistance they receive in security and defense, they felt that they were in no position to make demands on U.S. military spending or anything which might be taken as interference in U.S. domestic affairs. That was another point I made to the President. I also said that, because of his charming personality, and out of respect for him, leaders of the free world would find it difficult to offer him straight advice. I also pointed out that, if the U.S. deficits come down, it might cause recession, making it impossible for other countries to export their products to the United States as they are doing now; that this would certainly cause problems for them; which is why none of them wanted to be the first to offer such advice.

That is how things were with them in the past, I told the President. We cannot afford to remain the same any more, however. As for me, I continued, I am taking steps to pass on \$20 billion in international funding, and offer \$500 million in aid to African nations; I shall continue to take similar measures in the future, and domestically, Japan has decided to spend as much as 6 trillion yen to boost domestic demand. Japan is determined to do its part, I said, and I want the United States to do the same. If this should result in a recession in the United States or in the world, I added, we should all get together and shoulder our share of the burden. Japan is also prepared to share the burden, I told the President.

Mr Reagan listened with a smile on his face as I said all these things. I think he understood what I said, to a certain degree. [passage omitted]

Incidentally, in reference to what I said earlier, the Persian Gulf problem is important. With a view to preventing tension in the Gulf from expanding, I sent Foreign Minister Kuranari to Iran to convey the message that Iran should exercise self-restraint, that we should also endeavor to reach an Iran-Iraq peace, and that Japan, as a nonpermanent member of the UN Security Council would fully respect Iran's feelings when it votes, or on other requisite occasions. We also emphasized to Iranian authorities that Iran should never take any action to expand the war, that it should stop attacking ships, and that both sides should work to gradually curtail the fighting, and eventually stop it altogether.

Iran greatly appreciates Japan's efforts. We are doing the same thing with Iraq, too. So, we shall have a role to play by and by, I think.

Meanwhile, approximately 55 percent of the oil from the Gulf is destined for Japan. Many of the U.S.-escorted tankers are headed for Japan, carrying LPG and other types of oil. This means that the time has come for Japan to consider what it should do on its part; however, what is important is that Japan is unable to offer military cooperation -- a point we made very clear. I have clearly stated that the Japanese Constitution prohibits such cooperation. Therefore, the case of the European countries is different from ours. West Germany is more or less in a similar position.

Then, what should be done? The answer can be found in international arrangements to be made by the United Nations, for example, to preserve peace and safety of navigation in the Persian Gulf; we may consider financial assistance, and will study the matter should such arrangements be made. We have made our position clear up to that point. We have been cautious in doing so. [passage omitted]

[Isomura] THE TIMES, a major world newspaper, writes about the question of your successor, noting that Mr Nakasone's successor has not yet been picked. Although change of political leadership in Japan has never been a matter of concern for other countries in the past, it says, the position and policies of Japan's next prime minister will have a great impact on the world, since Japan has become such a major power. I agree. Will you, Mr Prime Minister, explicitly express your opinion on the selection of your successor, in light of your cherished criteria?

[Nakasone] It is not that simple. [laughter] What is important is to give priority to the policies to be pursued -- policies on how to lead Japan. The party must unite, and demonstrate its strength through collective leadership. The question is how we should approach this task. We must, first, establish policies acceptable to all our people, and present them to the people for their approval and support. The party then must establish unity and collective leadership for their implementation. That is the task we must tackle from now on, I believe.

[Isomura and Miyazaki] Thank you very much.

#### ROCKETS TO BE DEVELOPED FOR SATELLITE LAUNCH

OW110235 Tokyo KYODO in English 0221 GMT 11 Aug 87

[Text] Tokyo, Aug. 11 KYODO -- The Education Ministry's Institute of Space and Astronautical Science (ISAS) plans to develop one of the world's biggest solid-fuel rockets for launching scientific observation satellites after 1990, it was disclosed Tuesday.

The three-stage rocket, 30 meters long, 2.5 meters in diameter and weighing 120 tons, will be capable of putting up 2-ton satellites into a low altitude of 250 kilometers above the globe, according to ISAS plans.

The new model's propulsion power is three times greater than the space development body's present mainstay rocket, the 28-meter-long, 1.4-meter-in-diameter m3s2.

ISAS plans to embark on developing the 5 to 5.5 billion yen next-generation rocket in 1989.

The rocket will launch satellites and probes toward Mars, the moon and various comets after 1993.

ISAS's project, however, runs counter to Japan's basic principle on rocket development, namely that the space agency undertake development of rockets smaller than 1.4 meters in diameter.

The principle was set by Prime Minister Yasuhiro Nakasone, the then chairman of the space development subcommittee of the house of representatives, at a meeting in May 1966.

Nakasone then entrusted the newly-established National Space Development Agency (NASDA) with development work on practical rockets with a diameter of over 1.4 meters.

The nation's supreme decision-making body, the Space Development Committee, will start reviewing the outline of space development policy this fall.

PAPERS SUPPORT 'FLEXIBLE' NEW OLYMPICS PROPOSAL

SK130555 Pyongyang KCNA in English 0513 GMT 13 Aug 87

[Text] Pyongyang August 13 (KCNA) -- NODONG SINMUN, MINJU CHOSON, PYONGYANG SINMUN and all other papers here run commentaries on the flexible new proposal made by the chairman of the Olympic committee of the Democratic People's Republic of Korea to break the deadlock at the Lausanne joint meeting and realise the co-hosting of the 24th Olympic games, which is contained in his letter to the president of the International Olympic Committee.

In the letter the DPRK side put forward a new proposal for holding five full games including football and one partial game in Pyongyang and requested that it be discussed at the fifth joint meeting.

In a signed commentary captioned "Our Sincerity, Tolerance and Flexibility" NODONG SINMUN says:

Our letter clearly showed once again our sincere efforts for an early solution of the question of co-hosting the 24th Olympic games in conformity with the Olympic idea of peace and friendship and to the benefit of Korean peace and reunification.

At a series of Lausanne joint meetings, the South Korean side, in the discussion of the sharing of games, persistently stuck to its untenable stand for unilaterally grabbing a monopolistic position and refused even to discuss other problems, thus hindering the least agreement.

It is only too clear that this is an attempt to reduce the Pyongyang games to mere local and auxiliary games under the umbrella of the Seoul games in the name of "divided opening" and to block an agreement in this way and frustrate co hosting and hold the games under Seoul's single-handed sponsorship, thereby abusing the 24th Olympic games for its wrong purposes, especially for its "two Koreas" policy and for the conversion of South Korea into a nuclear base.

The South Korean side is entirely to blame for the failure to reach a single agreement at the protracted discussion of the question of co-hosting the 24th Olympic games.

The time remaining for an agreement on the co-hosting question is running out and September 17, the deadline for the sending out of invitations to the games is just around the corner.

This development gives rise to the well-grounded suspicion among the world people of broad strata and public and sports circles desirous of successful co-hosting of the 1988 Olympic games by North and South that the South Korean side might be seeking to dismiss the co-hosting question in a fog, leaving it fade away automatically, by sticking to its absurd position till the moment of the issue of invitations.

The proposal contained in our side's letter to the IOC indicates a practical way for breaking this impasse. It is a clear token of our goodwill to get the 24th Olympic games held without a hitch for the development of the Olympic movement and, furthermore, make the games serve for peace in Korea and her reunification by reaching an agreement on the co-hosting at any cost.

The "adjusted proposal" on the sharing of games made by the IOC at the fourth Lausanne meeting is, of course, regarded as its efforts to realise co-hosting. But the game-sharing plan stipulated in the "adjusted proposal" is too much inclined toward the South Korean side, considering that the 1988 Olympics is expected to include 23 games and 237 sub-divided events. It can hardly satisfy us.

We still think that our earlier call for eight games was a reasonable demand of minimum degree. But we advanced a new proposal in the letter, showing tolerance and flexibility out of the single desire to reach an agreement on the co-hosting.

The IOC should affirmatively respond to our new proposal and should take a step to call the fifth Lausanne joint meeting before September 17, within August, if possible, in an effort to realise co-hosting.

The South Korean side should act with discretion, prudently pondering over the question of co-hosting the 24th Olympic games by the North and the South, reciprocate our side's sincerity, tolerable and flexibility and accept our new proposal.

#### USSR Foreign Ministry's Support

SK130449 Pyongyang KCNA in English 0435 GMT 13 Aug 87

[Text] Moscow August 11 (KCNA) -- The Soviet Union supports the new proposal put forward by the Democratic People's Republic of Korea for the realisation of the co-hosting of the 24th Olympic games in the North and the South, said a spokesman for the USSR Ministry of Foreign Affairs at a briefing on August 11.

Recalling that the new proposal contained the assumption that five full and one partial games would be held in the DPRK, he stated:

"The DPRK's new proposal is supported in the Soviet Union. It is believed here that the proposal provides a real opportunity for simultaneous holding of the 24th summer Olympic games in Korea's North and South."

#### NODONG SINMUN SEEKS NUCLEAR WEAPONS REMOVAL

SK121041 Pyongyang KCNA in English 1027 GMT 12 Aug 87

[Text] Pyongyang August 12 (KCNA) -- The United States must withdraw all its aggression forces including nuclear weapons from South Korea without delay, declares NODONG SINMUN today.

In a signed article titled "South Korea Must Be Cleared of Nuclear Weapons", the papers says:

The danger of a nuclear war is more serious on the Korean peninsula than in other regions of the world from strategical and practical point of view.

The possible use of nuclear weapons on the Korean peninsula was hinted when the present U.S. Administration declared the Korean peninsula a "test ground for a showdown of strength" in the 80's and Reagan said that he would not "rule out the use of nuclear weapons on the Korean peninsula in case of emergency."

As a matter of fact, the whole land of South Korea has become an enormous nuclear arsenal.

There are now more than 1,000 pieces of nuclear weapons deployed in South Korea.

South Korea is a nuclear danger zone which quadruples NATO area in the density of nuclear deployment. And even neutron bombs called "weapons of devils in the 20th century" have been deployed there.

The Korean peninsula is fraught with the greatest danger of nuclear war also because the United States regards Asia, the Korean peninsula in particular, as the most proper one to use nuclear weapons and considers that it is not reluctant to inflict nuclear holocaust upon the Asian people.

By claiming that they have deployed nuclear weapons in South Korea for "nuclear deterrent", the United States and the South Korean authorities seek to cover up the danger of nuclear weapons in South Korea and calm down the demand of the world for the withdrawal of nuclear weapons at any cost. Therefore, the withdrawal of the U.S. nuclear weapons from South Korea and the elimination of the danger of nuclear war from Korea are important matters which anyone who wants peace in Asia cannot neglect nor shun.

Our party and the Government of the DPRK are making all sincere efforts for peace in Korea and its peaceful reunification from their heavy responsibility for the nation and noble mission for the cause of world peace.

It is proved by the July 23 statement of the DPRK Government.

There is no ground and pretext for the United States to keep nuclear weapons in South Korea.

If the United States turns down the DPRK's proposal for arms reduction and goes against the demand of the world people for the abolition of nuclear weapons in South Korea, it will bring to glaring light its nature as a nuclear warmaniac to plunge the globe into a holocaust of thermo-nuclear war.

#### STUDENT 'DEFECTOR' TOURS PYONGYANG

SK121105 Pyongyang KCNA in English 1044 GMT 12 Aug 87

[Text] Pyongyang August 12 (KCNA) -- Yi Chae-hwan, a South Korean student who came over to the northern half of the republic while studying in the United States, visited Mangyongdae and went round various places of Pyongyang.

He laid a bouquet of flowers before the statue of the great leader Comrade Kim Il-song standing on the Mansudae Hill and wholeheartedly wished him good health and a long life.

After visiting Mangyongdae, he said General Kim Il-song is the leader of the people and a great hero of the nation.

After inspecting the Tower of Chuche Idea and Arch of Triumph, Yi Chae-hwan said he felt afresh national dignity and pride.

He said:

Symbolically enough, the tower of chuche idea soaring high into the skies is visible from a far place and many people of the world find their way in the chuche idea. The precious stones from many countries plastered on the wall of the hall of the tower show well how deeply the world people respect the great General Kim Il-song who founded the immortal chuche idea.

After making a round of Pyongyang, Yi Chae-hwan said:

Gigantic work for the future prosperity of the nation is under way in the North under a grand nature-remaking plan.

Here in the North, unlike what I heard of in the South, all the people on the streets looked bright and smart, their faces overflowing with joy and happiness, and I felt that they had nothing to worry about. Here the inherent beautiful manners and customs handed down from the ancestors are kept unmarred and flowering.

In the North, man is placed first in politics, a man-oriented ethical view dominates society, and discrimination and inequality are a taboo.

I could see this instantly from the state policy of unstinting investment for the people, Pyongyang free from pollution, the People's Palace of Culture, the Changgwang health complex, the ice rink and other modern cultural facilities serving the people. I am involuntarily impressed by the social morale marked by the beautiful customs of all people helping each other and leading each other along, the realities of the North where the man-centered chuche idea is in full blossom.

After inspecting the Pyongyang maternity hospital, he wrote in the visitor's book that he was moved by the tender love of the great leader President Kim Il-song and the dear leader Mr. Kim Chong-il who spare nothing for the health and welfare of the people.

I keenly felt that the social system of the North is one truly for the happiness of man, he wrote.

He said:

Witnessing the brilliant realities of the North and the happy appearance of the people, I am deeply overjoyed at the realisation of my wish to come over to the DPRK. I feel the urge to proudly declare to the world that the social system of the North provided by the great General Kim Il-song and brought to prosperity by the dear leader Mr. Kim Chong-il is the bosom of the genuine motherland in which all our Korean fellow countrymen should be embraced.

FOREIGN MINISTRY RESPONDS TO DPRK TALKS PROPOSAL

SK130405 Seoul YONHAP in English 0345 GMT 13 Aug 87

[Text] Seoul, Aug. 13 (YONHAP) -- South Korea Thursday urged North Korea to accede to its recent proposal for an inter-Korean foreign ministers' meeting to discuss overall matters of mutual concern.

We consider it fortunate that North Korea did not show a "negative attitude" toward the propriety of our proposal for talks between the foreign ministers of South and North Korea, a spokesman for the Foreign Ministry said in a statement. We once again strongly urge North Korea to respond positively to our proposal.

On Aug. 3, the South Korean Government proposed an inter-Korean foreign ministers' meeting to discuss such issues as the conclusion of a non-aggression agreement, United Nations membership and cross-recognition by concerned powers.

Consultations and settlement of the water resources problem, armed forces reduction, bringing about successful South-North prime ministers' talks and realizing an eventual meeting between the highest authorities of the South and North were also among the issues proposed by South Korea for the inter-Korean foreign ministers' meeting.

In its reply statement on Aug. 8, North Korea insisted on holding a tripartite meeting in which the U.S. secretary of state should join with the foreign ministers of the two Koreas, while confining the subject of discussion to the issue of armed forces reduction.

The South Korean Government reiterates that all pending problems between South and North Korea should be discussed and settled by the parties directly concerned on the basis of the principle of national self-determination, Kim Hwan-kyong, spokesman for the ministry, said. Therefore, we do not see any reason why the North should insist that a third party be included in the talks.

Meanwhile, the statement gave flexibility to the timing of the proposed meeting, saying that the talks could be held in any other mutually agreeable place at the earliest possible date.

In the Aug. 3 proposal, South Korea indicated that it would be desirable to hold the talks either in New York or in any other mutually agreeable place sometime between the opening of the U.N. General Assembly session and the end of September this year.

The two Koreas have not engaged in dialogue since early last year, when Pyongyang unilaterally boycotted all channels of the inter-Korean dialogue, citing as an excuse the annual South Korean-U.S. joint military exercise Team Spirit.

Further on Reply

SK130240 Seoul Domestic Service in Korean 0200 GMT 13 Aug 87

[Text] Noting that the North Korean side's demand to hold the so-called tripartite disarmament talks involving the United States in connection with our 3 August proposal for North-South foreign ministers talks is counter to the principle of national self-determination, the Foreign Ministry strongly urges the North Korean side to show an affirmative response to North-South foreign ministers talks.

In a statement today, Kim Hwan-kyong, spokesman for the Foreign Ministry, stated: Even though the North Korean side, in a statement issued by the spokesman for its Foreign Ministry on 6 August, did not take a negative stance toward the validity of our side's proposal, it is very regrettable that contrary to its own insistence on adhering to the principle of national self-determination, the North Korean side has confined the talks agenda to the issue of disarmament, demanding that tripartite talks be held with the participation of the U.S. secretary of state in the North-South foreign ministers talks.

NO TAE-U SAYS DPRK'S OLYMPIC PROPOSAL UNACCEPTABLE

OW121049 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Aug 87

[Text] No Tae-u, the president of the South Korean ruling Democratic Justice Party, said it would be hard to agree with the suggestion made by North Korea yesterday about the 1988 Olympic games unless North Korea gives up the idea of hosting the opening of the games with South Korea. No met with Japanese reporters in Seoul today.

He also commented on the recent labor dispute in South Korea, saying that South Korea is in a difficult situation with labor demands coming hard on the heels of the public campaign for more democracy.

CHOE VIEWS ABDUCTION AS PSYCHOLOGICAL WARFARE

SK130357 Seoul YONHAP in English 0320 GMT 13 Aug 87

[Text] Seoul, Aug. 13 (YONHAP) -- Foreign Minister Choe Kwang-su said Wednesday that North Korea's abduction of Yi Chae-hwan, a South Korean doctoral candidate at the Massachusetts Institute of Technology (MIT) in the United States, has a profound whiff of psychological warfare tactics against the South.

Minister Choe, while answering questions in a National Assembly Foreign Affairs Committee session later that day, said that Yi's case is seen as similar in nature to the kidnapping of movie star Choe Un-hui and many other abduction cases committed by the North.

The minister observed that North Korea this time seems to be carrying out psychological warfare aimed at influencing the political situation in the South. He said that the relatively early announcement by Pyongyang of Yi's alleged defection to the North betrays such an intention. Choe pointed out that in previous instances, the North used to withhold announcements for at least two months and sometimes years. Minister Choe went on to say, the North Korean puppet regime is expected to use such subsequent psychological warfare tactics as a rally for welcoming Yi, press conferences and anti-South Korean propaganda broadcasts through a propaganda offensive. He also said that the government would put into action measures to protect students or residents staying overseas from similar abduction attempts by the North.

The minister, meanwhile, said Yi had met Pyon Hyong-sok, his uncle now working with Hanil Bank's New York branch, on July 18, two days before starting his second journey from the states, when Yi told Pyon that he would leave for Europe again to see a music festival in Vienna. Yi had returned to the states after traveling to Europe with a group of foreign students during the period of May 22-July 17, the minister said.

Choe said, however, it is yet to be confirmed whether Yi really arrived in Vienna.

#### Overseas Student Safety Urged

SK130021 Seoul THE KOREA TIMES in English 13 Aug 87 p 2

[Text] Rep. Yi Chong-chan of the ruling Democratic Justice Party urged the government to ask Austria to take due measures against north Korea which he claimed violated the European country's sovereignty.

He maintained "the abduction of a Korean student, Yi Chae-hwan, by north Koreans in Vienna means that they infringed upon Austria's sovereignty."

He told an interpellation session of the National Assembly Foreign Affairs Committee that it is desirable that the government demand the student's immediate return to Seoul by re-opening channels of dialogue between the south and the north.

Rep. Kim Hak-chun of the DJP called on the government to prepare comprehensive measures in inter-ministerial talks to protect and guide Korean students to ensure their sound behavior during overseas trips.

He asked the Foreign Ministry if it would reopen the recently-closed consulate in Boston.

Foreign Minister Choe Kwang-su said it is still uncertain where the incident took place, though "I am sure he was kidnapped by north Koreans."

His belief that it was a case of abduction was based on the fact that he promised in letters to his parents to comply with military conscription requirements after completion of a doctorate course at Massachusetts Institute of Technology next spring.

In a recent letter, the student, the eldest son of DJP legislator Yi Yong-uk, invited his mother to come to the United States for sightseeing in October.

Minister Choe said, "The government is demanding that north Korea immediately stop their barbarous acts of abduction and return Yi to his home. [quotations marks as published]

"We call on Pyongyang to give us an opportunity to verify his intention at the truce village of Panmunjom or elsewhere with the presence of a neutral figure, for instance, from the International Red Cross," he stressed.

#### GOVERNMENT TO MONITOR CLOSELY AFKN NETWORK

SK130159 Seoul THE KOREA TIMES in English 13 Aug 87 p 2

[Text] Culture-Information Minister Yi Ung-hui said yesterday that the government will closely monitor whether the American Forces Korean Network [AFKN] airs programs harmful to the youth and the traditional ethnics of Korea.

He was speaking in a parliamentary session yesterday in response to a question by opposition lawmaker Pak Sil who feared possible harmful effect of the AFKN program on the youth.

Minister Yi also said that the government will not obstruct expelled journalists returning back to their newspapers, adding that the government hopes that as many former journalists as possible find jobs at their former newspapers.

During the past months, about 60 former reporters were back and a significant number of expelled journalists are under negotiation with their respective newspaper companies for reemployment, the minister added.

But his ministry will continue to publicise the national affairs in a way of not inviting criticism from media and society.

#### NO VOWS IMPLEMENTATION OF ALL PLEDGED REFORMS

OW121123 Tokyo KYODO in English 1110 GMT 12 Aug 87

[Text] Seoul, Aug. 12 KYODO -- Ruling Democratic Justice Party presidential candidate No Tae-u said confident of overcoming any political crisis that may arise in the next couple of months. [sentence as published]

In an interview with Japanese correspondents based in Seoul, No also said he will implement all the political reforms he pledged on June 29 in a dramatic turnaround in South Korean politics.

The political package, which features a pledge to revise the constitution and hold direct presidential elections, ended three weeks of violent antigovernment demonstrations.

The reform package has been "well received by the people," he said. "I'm convinced that we'll be able to overcome" any political crisis.

No made the comment in reference to speculation that a political crisis is looming in South Korea and may break out some time in the next two months.

No, who spoke with the Japanese press for about one hour, said he believes the eight points of political reform he announced on June 29 will help his presidential campaign.

Implementation of the political reform program will form an important part of his election strategy, he said.

No said he believes the presidential election could take place by mid-December if the ruling and opposition parties can work out a draft by the end of this month.

Touching on reports that the Korean military has warned dissident leader Kim Tae-chung not to run for president, No said the military must remain politically neutral and that he would take the lead in enforcing the neutrality principle.

On growing labor strife, No said the disputes were outbursts of democratic demands made possible by his commitment to political reform.

He predicted that labor and management will be able to resolve their differences through dialogue if what the workers are demanding is improvement of their economic conditions.

On South Korean-Japanese ties, No said the two countries have entered a new era since the early 1980s and there have been improvements in the fingerprinting system for Korean residents in Japan and in bilateral trade.

No, however, said he hopes there will be more cultural exchanges between the young people of the two countries, noting that feelings toward Japan have deteriorated among young Koreans.

On the 1988 Seoul Olympics, No said the North Koreans are still insisting on cohosting the event and predicted that neither the International Olympic Committee nor the South Korean Government would accept the latest North Korean cohosting proposal unveiled Tuesday.

#### TWO KIM'S FACE 'DIFFICULTY' IN COMPROMISE

SK130702 Seoul YONHAP in English 0638 GMT 13 Aug 87

[Text] Seoul, Aug. 13 (YONHAP) -- Kim Yong-sam, president of the main opposition Reunification Democratic Party (RDP), and Kim Tae-chung, permanent RDP adviser, are trying to compromise on a single opposition presidential candidate, but are facing difficulty in resolving their different views on when the single candidate should be decided and other matters.

The two opposition leaders plan to hold an exclusive meeting to settle their differences on when the single candidate should be selected, methods of deciding the candidate, the tenure of the nation's next president, and the political timetable, including the date of the National Assembly elections.

The two Kims are both regarded as rivals over who will become the RDP's nominee, who will vie for the presidency with No Tae-u, the leader of the Ruling Democratic Justice Party.

Kim Yong-sam said Thursday that the decision on a single opposition candidate must be made by the end of August or in early September.

He reaffirmed his position that the decision on a single candidate should be made as soon as possible in order to ease the people's apprehension about democratization.

The RDP president was confident that a candidate would be selected by means of prior consultations between himself and Kim Tae-chung, saying that the two Kims had promised not to compete by means of a vote.

Kim Tae-chung said that it is advisable to decide on a single candidate after the constitutional revision bill is approved by a plebiscite with the vote to be completed by the end of October, thus revealing his position that choosing the candidate after the end of October is a better option.

Kim added that he would fully consult with Kim Yong-sam on the matter.

The two Kims also have differing views on the tenure of the nation's president, with Kim Yong-sam expressing his private opinion in favor of a single five-year presidential term, while Kim Tae-chung supports the party's existing position of favoring a maximum of two, four-year terms.

PAPER VIEWS LABOR UNREST AS 'CHAIN REACTION'

SK130049 Seoul THE KOREA TIMES in English 13 Aug 87 p 1

[Text] The fever of labor unrest now gripping the major industrial work-sites across the nation continues to spread from one industry to another in a chain reaction with no sign of early settlement.

With the crippling of nation's key enterprises due to the widespread labor unrest, small and medium-sized industries producing parts for large plants are being driven to the brink of bankruptcy.

The operation suspension at large plants due to labor disputes are causing vicious circle of operation suspension at small and medium industries which are heavily dependent on large firms.

Rampant labor strikes, virtually paralyzing the nation's key industries including motor and chemistry, are feared to rock the national economy.

Fresh disputes flared at 89 work sites-across the nation on Tuesday, ringing the total number of the firms hit with labor struggles to 21 as of yesterday.

Particularly, the nation's three auto makers -- Hyundai, Daewoo and Kia -- came to a complete standstill due either to shortages of parts or components as a result of strikes at subcontracted companies or by assembly line workers.

Hyundai Motor Co. had no choice but to suspend operation only one day after workers returned to work because of a shortage of parts and components.

The operations were also halted at Daewoo and Kia Motor Cos. as the workers went on strike Tuesday, demanding wage hikes and improvement of working conditions.

The Kumi industrial complex began to be affected by labor unrest with the Goldstar Cable Co. locking out its plant facilities

The industrial base for the nation's electronic firms at halfway between Seoul and Pusan has been relatively uninfluenced by the sweeping labor unrest.

In the coal mining areas, one of the hottest spots of labor dispute, 28 coal mining companies of various sizes in Kangwon-do and Kyongsang-pukto Provinces are seized by labor strikes, causing a virtual suspension of operations as of yesterday.

However, settlement of labor disputes was reported Tuesday at six coal mining companies including Chongan Coal Mining Co. in Samchok and Hambek Coal Mining Co., both in Kangwon-do.

In the meantime, some 1,000 fishermen in Pusan staged a violent strike at the fish market Tuesday, breaking windows and damaging office furniture.

The fish market, supplying more than half of the nation's demand, was closed yesterday.

A total of 27 firms housed in Changwon Industrial complex, Kyongsang-Namdo are suspending their operations due to labor disputes. The firms in dispute include Lucky-Gold Star Co., Ltd. and Samsung Heavy Industrial Co., Ltd.

On the contrary, workers of Daewon Heavy Industrial Co., Ltd who picketed for a 50,000 won pay raise, reached an agreement in marathon negotiations with management Tuesday night.

The workers decided to resume operations from today.

The labor and management of Kukje-ICC in Pusan, which remained closed for the last 15 days due to the dispute came to an agreement yesterday morning.

#### Emergency Measures Considered

SK130121 Seoul THE KOREA HERALD in English 13 Aug 87 p 1

[Text] The government yesterday reiterated its strong determination to sternly deal with any violent or destructive labor disputes.

The government also decided to renew efforts to cordon off any attempts by impure external elements to intervene in disputes.

In a cabinet meeting, the government reaffirmed that labor disputes should be resolved principally through dialogue between labor and management.

The meeting, presided over by Prime Minister Kim Chong-yol, was attended by ministers of home affairs, finance, justice, trade and industry, energy and resources, labor affairs, and transportation as well as the prosecutor general.

"The government will sternly punish illegal acts such as seizure of railroads and roads and destruction of facilities during labor disputes," said Vice Minister of Culture and Information Choe Chang-yun.

Briefing reporters on the meeting, he said cabinet members shared the view that labor conflicts are spilling over to all industries in a violent and destructive manner.

"The cabinet ministers who attended the meeting also agreed that labor disputes, if felt unchecked, would invite enormous inconveniences to the people and might cause social unrest," he said.

The government, he said, has decided to work out measures to prevent external impure forces from intervening in labor protests.

The vice minister stressed, however, that there was no change at all in the government's basic stand that labor-management wrangling should be autonomously settled through dialogue between the parties directly concerned.

He continued that the government plans to seek active and positive improvements in economic policies, including wage problems, for a thorough solution to the disputes.

The participating ministers also decided to set up proper steps, including emergency import of necessary components, in case the labor disputes are prolonged, Choe added.

Meanwhile, he quoted Minister of Labor Affairs Yi Hon-ki as reporting to the meeting that there were 670 collective labor actions from June 30 to Aug. 11 this year.

Of those 670 dispute, 78 took place at big business concerns, while the remaining 592 conflicts hit small- and medium-sized companies, Choe quoted Yi as saying.

He also said that as of Tuesday, 457 disputes were temporarily settled while more than 200 were still under way.

#### Violent Demonstration Guidelines

SK130133 Seoul THE KOREA TIMES in English 13 Aug 87 p 3

[Text] The Prosecutor-General's Office has started drawing up guideline on the handling of excessively violent labor struggles which continue to grow increasingly violent in flagrant violation of the pertinent laws.

Officials of the nation's highest prosecution office said they have no choice but to seek indictment against those laborers who want only [to] destroy public facilities let alone their own factory's facilities to push their demands.

Expressing grave concern about the on-going labor unrest in the nation's key industrial firms, the prosecution office said prosecutors have already been dispatched to the sites of labor struggle to get the correct picture of the situation.

The officials said they understand that laborers may have much to say at this time as the nation goes democratic after the democratization package announced by No Tae-u, president of the ruling Democratic Justice Party.

It is true they said, they have been kept down in the past when the nation was preoccupied with getting on in international markets and was promoting a growth-first policy.

No matter how lawful the laborers' demands may be, however, there is no justification for vandalism, destroying of production facilities and disturbing public order by holding up traffic on roads and railroad lines.

MALAYSIATRADE COOPERATION WITH HUNGARY, USSR DEVELOPS

BK121036 Kuala Lumpur BERNAMA in English 1015 GMT 12 Aug 87

[Text] Kuala Lumpur, Aug 12 (BERNAMA) -- Prime Minister Dr Mahathir Mohamed's recent visit to the Soviet Union and Hungary has opened up greater avenues for trade collaboration between these countries and Malaysia.

Businessmen who followed Mahathir to these countries have identified several areas of possible business development, including power and utilities in the Soviet Union and electrical products in Hungary, the Malaysian financial newspaper BUSINESS TIMES reported Wednesday [12 August]. Possible cooperation in civil engineering with the Soviet Union is also being looked into.

According to the paper's sources, some individual meetings yielded breakthroughs in their specific areas such as textiles, clothing and commodities. The National Chamber of Commerce and Industry Malaysia (NCCIM) signed a memorandum of understanding with the Russian trading organization on the manufacture of equipment for closer cooperation. A similar agreement was signed with the Hungarian Chamber of Commerce to enhance cooperation.

The sources said the areas of interest were narrowed to enable businessmen to hold discussions later in detail. The sources added that Russian power and utilities equipment is quite attractive and competitive compared with others. The Russians have undertaken several power and utilities projects outside the Soviet Union of acceptable quality. The Russians are prepared to undertake such proposals on barter arrangement and provide credit terms.

The sources said the attractive terms coupled with the competitive and acceptable quality of work were encouraging. "We have seen some of their work and the record shows that they are good."

Malaysia has asked for specifications and details of the project proposals. Priority is being accorded to follow-up, the sources said. Mahathir stressed that while Malaysia enjoyed a large trade surplus against the Soviet Union, it would be mutually more beneficial to increase the total volume of trade than for the Russians to reduce their imports from Malaysia.

As for Hungary, the sources said, the area in which there is strongest potential is electrical products. Civil engineering and water treatment are also possible areas for development. Joint ventures are also being considered for car components and manufacture of yarn for Hungary or for their countries.

SABAH ISSUE DOMINATES LAUREL NEWS CONFERENCE

BK121217 Kuala Lumpur BERNAMA in English 1212 GMT 12 Aug 87

[Text] Kuala Lumpur, Aug 12 (BERNAMA) -- Philippine Vice President Salvador Laurel conceded Wednesday that relations between his country and Malaysia could not be fully normalised without the Philippine claim on Sabah being resolved but gave no hints when the claim would be dropped or whether it would be dropped at all.

The Sabah claim issue almost totally dominated Laurel's press conference at the end of his two-day official visit here, with the Philippine vice president and foreign secretary parrying intense questioning from scores of foreign and local journalists.

Laurel, who before the press conference held an hour's talks with Prime Minister Dr Mahathir Mohamed, said he told the Malaysian prime minister that efforts were being made to resolve the Sabah claim which he described as a "nagging problem" in both countries' ties. "I cannot divulge what these efforts are as we are still talking," he said, but added that he would commit himself into saying the Philippines would drop the claim and that there was no time table set for the issue to be resolved.

The Philippine vice president then adopted a highly evasive stand in answering heated questions on the Sabah claim, dismissing most of them as "hypothetical" or "I don't want to answer that question".

Asked what concessions the Philippines wanted from Malaysia in return for a solution to the issue, he said: We don't look at it that way. It's not that we want to resolve the claim in exchange for something because it is a bilateral matter which should be resolved in a manner that would be mutually acceptable and satisfactory to both sides.

When a journalist suggested that Malaysia's non-recognition of the claim meant that the onus was on [words indistinct] that could put it to rest once and for all, Laurel responded: "I don't want to talk about onuses".

There was a momentary excitement among the journalists when Laurel, answering another question, said it was "possible" that the Sabah claim would be resolved before the December ASEAN summit in Manila but this fizzled out when he quipped: "Everything is possible under the sun".

When referred to a statement he made in 1983 before becoming vice president that he would drop the Sabah claim if he came to power, he said: "I only said we would resolve it and did not use the word 'drop'. I haven't said anything about dropping the claim. It's not my word. Please put this straight before it gets into print", he told the press conference.

Laurel said there were no specific provisions in the Philippine Constitution on the steps which could be taken to resolve the claim. But he left no doubt that the Philippines regarded Sabah a part of the country when he said: "The claim exists and it is on record".

A Philippine Embassy official, who earlier announced that Laurel would have a 45-minute press conference, defused the heated questioning on the Sabah claim by ending the session after only 30 minutes.

Meanwhile, in a press briefing, Malaysian Foreign Ministry Deputy Secretary General Razali quoted Laurel as saying in his talks with Malaysian Prime Minister Mahathir Mohamed that the Philippines will make efforts to remove permanently its claim to Sabah. Razali also told reporters that Mahathir had said he appreciated this gesture and will await the outcome of the efforts by the Philippine Government in this regard.

The prime minister also hoped it would serve as a landmark for enhanced relations between the two countries.

Razali said the new Philippine Constitution was still vague with reference to the Sabah issue.

Mahathir was also told by Laurel of the problems faced by the Philippines, particularly during the transition period from a revolution to a constitutional nation. In this context, the Philippine Government was surely unable to settle all problems immediately, Razali added.

#### MILITARY CHIEF COMMENTS ON AIRSPACE INTRUSION

BK101039 Kuala Lumpur BERNAMA in English 1006 GMT 10 Aug 87

[Text] Kuala Lumpur, Aug 10 (BERNAMA) -- The buzzing of a Malaysian plane by an Indonesian military aircraft over the Malacca Straits is more a case of airspace violation than a security threat, Malaysia's military chief said here Monday.

Gen. Ghazali Chè Mat, chief of defence forces, said: The press should not make a big issue out of the incident because what we have here was a small matter. The armed forces of both countries have good relations and if the reported intrusion did happen I believe it was not done on purpose.

It was reported that a turbo-prop plane of a local company, Airfoto, was harassed by an Indonesian Navy aircraft in Malaysian airspace on June 8. The intruding plane was identified as an Australian-made twin-engine Nomad maritime patrol aircraft bearing the marking P-BOS T40 A1.

The military chief pointed out that the corridor over the Malacca Straits in which the air forces of the two countries operate is very narrow.

We regard the incident more as an airspace violation rather than as a security threat, he said, adding that the Defence Ministry was gathering more information on the incident based on the report by the local company whose plane was harassed.

He said the Indonesian plane involved was not a combat aircraft but a Nomad surveillance aircraft.

He also said airforce officials of both countries had regular meetings, including the annual rapat koordinasi (close coordination) conference held at the end of the year. Any problems that arose were thrashed out at such meetings, Gen. Ghazali added.

Meanwhile, an air force official said any air intrusion in the Malacca Straits can be detected by radar stations under the country's Air Defence Command. The official said any single radar beam has its blind spot, especially if an aircraft was flying low, but added that the air force has a network of mobile and permanently sited radar stations and radar-equipped maritime patrol aircraft to overcome this problem.

INDOCHINA VICE FOREIGN MINISTERS CONFERENCE OPENS

BK121221 Phnom Penh SPK in English 1135 GMT 12 Aug 87

[Text] Phnom Penh SPK August 12 -- The conference of the three Indochinese vice-foreign ministers opened here Wednesday morning.

Participating in the conference were the Kampuchean delegation led by Dit Munti, Vice-foreign Minister; the Vietnamese delegation by Tran Quang Co, candidate member of the Communist Party of Vietnam Central Committee and Vice-foreign Minister; and the Lao delegation by Soulivong Phasitthidet, vice-president of the Commission of External Affairs of the Lao People's Revolutionary Party Central Committee and vice-foreign minister.

In his opening speech Kampuchean Foreign Minister Kong Korm, who is also member of the People's Revolutionary Party of Kampuchea Central Committee, welcomed the two fraternal delegations and pointed to the importance of the exchanges of views among the three Indochinese countries for the common cause of peace, stability friendship and cooperation in the region and the world over in conformity with the new trend.

SPK REVIEWS INCREASING COOPERATION WITH USSR

BK121231 Phnom Penh SPK in English 1125 GMT 12 Aug 87

["In Anticipation of the 70th Anniversary of Russian October Revolution: Fruition of Kampuchea-USSR Cooperation" -- SPK headline]

[Text] Phnom Penh SPK August 12 -- The signing in early 1980 of a cooperation agreement between Kampuchea and the Soviet Union has marked a new step in the bilateral cooperation between the two countries. Since the first days of revival, the Soviet Union has provided Kampuchea with food, medicines, and other necessities, helping it restore the national economy.

The Soviet Union has also helped Kampuchea restore several economic establishments to develop its industrial and agricultural production, communications, health care, culture, and training cadres. It granted Kampuchea credit worth millions of roubles.

With Soviet assistance, the power plant 4 in Phnom Penh equipped with three Soviet-made 500-kw generators was put into commission in late 1984. Soviet machines and experts have been sent to various provinces and cities of Kampuchea such as Kompong Cham, Battambang, and Siem Reap-Oddar Meanchey, and Kompong Som City to help the country expand its electricity network.

Soviet construction experts have cooperated with the Kampuchean workers in constructing or restoring hospitals, school buildings, warehouses, public buildings, the prefabricated factory at Stoeng Meanchey in the southeast suburb of Phnom Penh, and the ground-satellite station.

Hundreds of Byelorussian-made tractors have been sent to Kampuchea thus helping Kampuchea's food production increase by seven percent. The seed-producing centre of Anlung Ka-ngan, Kandal Province, and hydraulic projects built with Soviet aid have also greatly contributed to the country's agricultural development.

Soviet teachers have come here, now teaching at the Chamka Dong Institute of Agriculture. Thanks to the cooperation with the Soviet Union in rubber production, Kampuchea has restored and put under exploitation 20,000 ha of rubber and installed a latex processing machine in Chup (Kompong Cham) with the capacity of 30,000 tonnes per year.

In 1986, the volume of Soviet goods sent to Kampuchea in trade exchange reached 87.9 million roubles, increasing by four percent over the yearly plan. The Soviet Union also offered Kampuchea a non-refundable aid of 600 automobiles and sent materials and specialists to help restore the ports of Kompong Som and Phnom Penh as well as other services such as communications, posts and transport. The restoration of the Kampuchea-USSR Friendship Hospital in Phnom Penh is one of the finest examples in the bilateral cooperation in the field of public health. The 5,000-tonne consignment of medicines and medical equipment sent to Kampuchea by the Soviet Union has greatly contributed to the protection of the Kampuchean population's health. One can find the Soviet-made medical instruments in a number of health establishments in Kampuchea.

The Soviet Union has rendered great assistance to Kampuchea in training engineers, specialists, and skilled workers. About 2,000 Kampuchean students have been trained in several Soviet socialist republics. In furtherance of the programme of the 1986-1990 cooperation, a number of Soviet specialists have come and will come to work in Kampuchea.

The path of socialist construction in Kampuchea has been illuminated by the Russian Great October Revolution led by great Lenin and the cooperation with the Soviet Union plays a very important role in carrying out the socialist construction in Kampuchea.

#### CENTRAL COMMITTEE GREETES BRAZILIAN CP LEADER

BK121257 Phnom Penh SPK in English 1119 GMT 12 Aug 87

[Text] Phnom Penh SPK August 12 -- The Central Committee of the People's Revolutionary Party of Kampuchea has warmly congratulated Salamao Malina on his election as general secretary of the Brazilian Communist Party (BCP).

In its message, the PRPK CC expressed its firm conviction that under the leadership of the BCP, with Salamao Malina at the head, the Brazilian people will obtain greater successes in implementing the resolutions of the eighth congress of the BCP (held from July 16-19, 1987) so as to contribute to world peace.

The PRPK CC wished the Brazilian party leader the best of health and further success in his work.

#### VODK SAYS 77 KILLED FOR OPPOSING FEDERATION PLAN

BK110335 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 10 Aug 87

["News commentary": "In Pich Chenda District, the Vietnamese Enemy Arrested 77 of Our People and Most Barbarously and Savagely Executed Them"]

[Excerpt] On 20 July, in Bou Sra commune in Pich Chenda District, Mondolkiri Province, the Vietnamese enemy seized 77 of our people, men and women, tied them up against wooden posts in a line, and then shot them. The Vietnamese accused these compatriots of opposing Vietnam's Indochinese federation policy. [passage omitted]

CHILDRESS VISIT PRESS RELEASE CALLS TALKS 'FRANK'

BK121431 Vientiane Domestic Service in Lao 1200 GMT 12 Aug 87

["Joint Press Release"; date not given]

[Text] In response to an invitation of the LPDR Foreign Ministry, a U.S. delegation led by Richard Childress, director of Asian affairs for the U.S. National Security Council, paid a visit to Vientiane between 10 and 12 August.

On this occasion, Childress and his party paid a courtesy call on Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs of the LPDR.

During the visit the U.S. delegation met and held talks with a Lao delegation led by Souban Salitthilat, deputy minister of foreign affairs of the LPDR. The meeting and talks proceeded in a frank atmosphere in which efforts were made to strengthen mutual understanding. The two sides agreed to continue the meeting and talks in the near future to implement what the two sides have mutually agreed upon.

The two sides reiterated their respect for the principle of the independence, sovereignty, and territorial integrity of each other in relations between the two countries. The U.S. Government reiterated its opposition to irresponsible private efforts to interfere in the government-to-government cooperation. The Lao Government agreed to restore humanitarian cooperation with the United States regarding the search for the American citizens missing during the war in Laos. The U.S. Government recognized the Lao side's humanitarian issue and agreed to respond to it in accordance with its ability.

The two sides also exchanged views on other matters of mutual interest.

Regarding the narcotics problem, the two sides recognized the seriousness of the issue and affirmed their intentions to contribute to international efforts to counter it.

Souban Salitthilat was pleased to accept the U.S. Government's invitation for a visit to Washington at an appropriate time.

COMMENTARY REFUTES CLAIM OF MORE MIG'S IN LAOS

BK120721 Vientiane Domestic Service in Lao 1200 GMT 8 Aug 87

[Unattributed commentary: "A Liar Who Lies to Himself"]

[Text] Recently, a high-ranking Thai Air Force officer made up a story that Laos had brought in more Soviet MIG's to threaten the stability and security of Thailand and that by doing so it has an advantage over Thailand. This is not surprising because his accusation is being made at the same time that a joint U.S.-Thai military exercise is underway in Nakhon Ratchasima and Ubon Ratchathani Provinces, which are not very far from the Cambodian-Thai border. This military exercise will drag on for some time -- from 3-29 August -- with the participation of a large number of U.S. and Thai soldiers.

It is also being staged at a time when the Thai ultrarightist reactionaries have made numerous slanderous charges accusing Laos of committing provocations along the border between the two countries.

People of the world are wondering why the Thai authorities, who recently stated that they want to maintain brotherly relations with the Lao people, have baselessly accused Laos of committing such acts. The primary motive behind such slanderous accusations is that the Thai authorities want to divert the attention of the Thai people who have opposed and condemned the establishment of a U.S. arms stockpile in Thailand and the purchase of additional U.S. F-16 fighters. To conceal their own sinister schemes, the Thai authorities have made slanderous charges against Laos.

It is well-known that the Thai people cherish peace and desire to coexist peacefully with their neighboring countries in accordance with the general international trend. The painful lessons they have learned from the past actions of the Thai ruling circles -- allowing the United States to use Thai territory as a base of aggression against the Indochinese countries, thus making countless numbers of Thai women widows and Thai children orphans -- have convinced them of the truth.

Even worse, many Thai people are suffering severe hardships. The rate of unemployment is rising with each passing day. Social vices are increasing. Even more serious, a severe drought is presently ravaging the northeast. The Thai ultrarightist reactionaries should have used the large sum of money they have spent on establishing an arms stockpile and purchasing the F-16 fighters to improve the Thai people's welfare and to resolve numerous social problems in Thailand.

To cover up their misdeeds and deceive the Thai public into thinking that it is necessary to purchase more F-16's, the Thai authorities are claiming that Laos has acquired more MIG's. That is why the Thai ultrarightist ruling circles instructed Air Vice Marshal Sommot Suntharawet [secretary of the Royal Thai Air Force] to stage a farce by camouflaging oneself with a lie.

#### OFFICIAL INTERVIEWED ON THAI BORDER CLASH

BK111515 Vientiane Domestic Service in Lao 1200 GMT 11 Aug 87

[Text] As is already well known, while Lao-Thai relations are improving, a certain group of Thai troops, in collaboration with a Thai firm, have intruded into Laos to fell logs in an area near the Lao-Thai border in Boten District, Sayaboury Province. Thai military sources quoted by the media have distorted the facts on this issue.

Duangchit Phetlangsi, chairman of the administrative committee of Kenthao District, gave an interview to our national radio correspondent. He said:

[Begin recording] A fundamental proof is that the local people in the Lao-Thai border areas of (Heuang Thouan) and (Heuang Paman) testify that (Heuang Paman) is a border area in which they have been living. This border area includes the (Beng Nam) mountain range, Phou Viang, and Phou Soi Dao. The watershed on Phou Soi Dao is regarded as the border marker.

The Thai ultrarightists have sent large numbers of troops to the area. Particularly, they have sent reinforcements to (Ban Lom Kua) village.

The people on the Lao and Thai sides of the border have affirmed that (Ban Lom Kua) is as much as 2 km deep inside Lao territory. The Thais plan to build and improve (?a village) in the area. In fact, the Thai reactionaries have caused difficulties to the local people, particularly those in (Na Bo Noi) canton. The Thais started felling logs in late 1984 and have now been felling logs on 35, 75 square kilometers. [as heard] Logs have been removed from more than 35 square kilometers. Roads have been built to the (Heuang Sai) and (Heuang Nga) areas.

Regarding the Thai crimes against our people, the Lao people as well as the local administration as a whole, the people of (Na Bo Noi) canton in particular, are aware of the policy and line of the party and government, which tells us that Thailand is a fraternal country and that we should preserve a border of friendship and peaceful coexistence. However, with regard to those who violate our territory, our Lao people will do everything to resolve the problem. [end recording]

#### THAI TRADE OFFICES 'TEMPORARILY' CLOSED IN VIENTIANE

BK121639 Hong Kong AFP in English 1623 GMT 12 Aug 87

[Text] Bangkok, Aug 12 (AFP) -- Thai trading company offices in Vientiane have been forced to close in recent weeks, Western aid workers visiting here from Laos said Wednesday.

The aid workers, who wished to remain anonymous, said the measure affected up to 200 companies and was apparently temporary, although no official reason was given.

They said the Thai trading companies had flocked in after Thailand decided earlier this year to reduce from 273 to 61 the number of "strategic goods" banned from export to communist Laos.

The companies were mainly trading in goods such as cement, steel, and tools, selling them to government agencies and international relief organisations.

The aid workers said it was believed the Laotian Government feared the firms' activities would get out of hand at a time when Vientiane was trying to set up its own trading companies.

Laos is the only country in Southeast Asia with no access to the sea and is also the only one in the region to be on the United Nations' list of "least-developed countries".

Thai-Laotian relations were strained when communists swept to power in Vientiane in 1975 and deteriorated further in 1978, when Laotian-ally Vietnam invaded neighbouring Cambodia, analysts said.

Recent efforts aimed at improving relations between the two countries lying on opposite sides of the region's "bamboo curtain" have produced few results, they added.

But the aid workers said Laos had recently been buying rice from Thailand to offset shortages in the north and northeast due to last year's drought.

Drought was even more severe this year and rice yield has been reduced by 35 percent in upland provinces, which account for about 80 percent of the national production, they said.

The price of rice has gone up 30 percent in the past month, the aid workers said, adding that a big shortage is expected next year.

REPORT ON TASS INTERVIEW WITH PHOUMI VONGVICHIT

BK121234 Vientiane KPL in English 0901 GMT 12 Aug 87

[Text] Vientiane, August 12 (KPL) -- Phoumi Vongvichit, Politburo member of the LPRP CC [Central Committee], vice-chairman of the Council of Ministers, acting-president and head of the preparatory committee for the celebration of the 70th anniversary of the Great Russian October Revolution, on August 11 granted an interview to Boris Shoumeyer, representative of TASS, and Aleksandr Kankin, representative of the Soviet Radio and T.V. to Laos.

P. Vongvichit spoke of the preparations being made for the celebration of the 70th anniversary of the October Revolution in Laos. He also mentioned the current efforts for renovation of the management apparatus and democratisation of social life in Lao society as well as ways of resolving problems in Asia.

SALI VONGKHAMSAO RECEIVES UNDP OFFICIAL

BK111022 Vientiane KPL in English 0858 GMT 11 Aug 87

[Text] Vientiane, August 11 (KPL) -- Sali Vongkhamsao vice-chairman of the State Planning Committee received here yesterday Per Janvid, head of the United Nations Development Programme [UNDP] office in Laos, at the end of his mission here.

Sali Vongkhamsao thanked the UNDP for its assistance to the Lao PDR in the past as well as at present. He congratulated Per Janvid on the fulfillment of his mission, and wished him good trip back home and success in his new assignment.

VIENTIANE LAUDS GEOLOGICAL COOPERATION WITH SRV

BK081302 Vientiane Domestic Service in Lao 0530 GMT 2 Aug 87

[Feature article: "Laos-Vietnam Geological Cooperation"]

[Text] Respected listeners: Laos and Vietnam have cooperated in the geological field for a considerably long time, or since 1966. At the early stage, Vietnam assisted Laos in exploring mineral resources in some areas.

After Laos declared the establishment of the LPDR and following the signing of the Laos-Vietnam Treaty of Friendship and All-Round Cooperation, relations and cooperation between our two fraternal countries have been further strengthened.

In particular, bilateral geological cooperation has further developed. From 1976-77 a Vietnamese mineral exploration unit, previously called C-105 and now named INTER CO-2, conducted a survey of gypsum mines at the Khok Hin Keo area in Savannakhet Province. In 1979 it started exploiting and utilizing the mineral. The discovery of these gypsum mines is an initial success of the geological cooperation between Laos and Vietnam and is extremely important to our economy since the mineral is useful in our construction, public health, and porcelain work. In addition, it is an export commodity.

In broadening the exploration of the gypsum mines, we have discovered salt for human consumption. After completing its exploratory work at the gypsum mines, the INTER CO-2 unit moved northward to explore potash mineral in the Vientiane plain. This salt is as useful in agricultural work as it is for making fertilizer. The result of the exploration shows that there are billions of tons of potash deposits under the Vientiane plain. After studying the commercial prospects and the locations favorable to transporting the mineral, the potash deposits will be exploited.

During the past 10 years, Laos and Vietnam have always closely cooperated in geological exploratory work. Vietnam has provided technical knowledge and experts for Laos. The two countries have enjoyed close cooperation in this field, sharing hardships and difficulties and happiness after exploratory work was completed. Comrade (Nguyen Xuan Lam), deputy chief of Vietnam's INTER CO-2 geological exploratory unit which is currently operating in Laos said: We are proud of our contributions to Laos-Vietnam cooperation. Working in Laos is the same as in Vietnam; the Lao people always extend warm love to us; Lao cadres and their higher echelons have always cared for our well-being. Though far from our homeland, we feel warm as if we were with our own families.

#### EDITORIAL ON TRAINING OF MILITIA-GUERRILLAS

BK031351 Vientiane Domestic Service in Lao 1100 GMT 1 Aug 87

[Editorial: "Educate and Train Militia-Guerrilla and Self-Defense Forces With New Quality; date not given]

[Text] Respected listeners: Militia-guerrilla and self-defense units are sharp tools of the party's system of the proletarian dictatorship at the grass roots. They are national defense and public security forces defending localities, factories and plants, and construction units. These forces are closely associated with the grass roots, assuming a role in defending the people's right to collective mastery, safeguarding tranquility in localities, and in defending and protecting products and tranquility at factories and plants.

In the past under the leadership of the party, our militia-guerrilla and self-defense networks have been well organized and strong throughout the country, thus splendidly contributing to fulfilling tasks. These forces in many localities have cooperated with the regular forces to promptly resolve problems and have taken the initiative in defending localities, factories, plants, and products. They have been guided, organized, and trained to heighten their combat readiness. These forces are, for example, the self-defense unit of the Lao Electricity Company and the self-defense forces of the Ministry of Industry. This reflects the right to collective mastery and the right to master the country.

In the early stage of the revolution, the fourth party congress resolution concerning the national defense and public security work stipulated that militia-guerrilla and self-defense forces must be built and strengthened.

Political, ideological, and military training work, the studying of the party's line and policies, and the task of increasing production, building the economy, and improving the daily living of soldiers, are regular tasks in building our armed forces.

Recalling the past, we still have weaknesses and shortcomings in training guerrilla and self-defense forces. We emphasized only a general and not specific form of training, without contents that conform with the true situation and actual tasks of a locality or unit. Based on the experience gained in the past, various units should adopt methods to speed up work, such as training in revolutionary awakening and on levels of combat readiness for both individuals and units.

In the new period, the task of training and building forces requires new quality based on three aspects -- to be firm politically, strong organizationally, and capable in fulfilling political tasks. Militia-guerrillas must be absolutely loyal to the party and socialist fatherland, closely associated with the people, and linked with production and construction movements. Their true political nature must be reflected by their perception of the party's line and policies, particularly the spirit and contents of the fourth party congress resolutions. Regarding this, they must firmly grasp national defense and public security work on the new period. Education and training must be firmly carried out. Methods for organizing the training must conform with the situation in their locality and unit.

In fulfilling one's tasks, one is required to have the new quality of combat readiness. Regular military training must be annually organized to train new soldiers to possess the ability to grasp military and basic combat tactics. Meanwhile, commanding cadres at each level must be educated and trained. Plans should be worked out to provide them with further training at the provincial level, in regular army units, and at local military schools under the Ministry of National Defense. It is expected that each individual must be able to utilize weapons and equipment, have the socialist spirit of collective mastery, and be truly loyal to the country and people. A condition for selecting members of the national defense and guerrilla ranks is that these new members must possess full political qualifications. Their families must be qualified too. This means that their biography must be clear. In addition to quantity, quality must be regarded in this respect.

Training and studying must be well organized. In launching training campaigns, it is necessary to correctly implement the policy on the daily life of militia-guerrilla and self-defense units. A training period must not be too long. Short-term training courses should be organized while the new quality and the new way of thinking must be ensured. In reviewing the results of training, the work of each individual must be examined. More training should be provided for those who fail to grasp the content of their studying. Only by so doing, can we really assure ourselves of the new quality.

#### REPORT ON READINESS OF BORDER VILLAGE STRONGHOLDS

BK090915 Vientiane Domestic Service in Lao 0430 GMT 3 Aug 87

[Feature: "Strongholds of three villages" by (S. Saipiang)]

[Text] While waiting to hear a report by the commander of Infantry Battalion C at the battalion command headquarters which were surrounded by trenches, artillery shelters, and bunkers, the comrade staff officer of Regiment S looked at the battalion combat organizational chart mounted on the wall.

He commented: This is the way, comrades. Our battalion is one of many combat units standing ready to defend the three border village strongholds in Paklai District, Sayaboury Province.

The report presented by the commander of Battalion C said that in guarding the border posts in this area, the units have assigned specific responsibilities to each company. They have never neglected the organization of patrol missions to follow enemy movements around the clock. Cadres and combatants stationed at each stronghold constantly carry out their defense duties as the functioning system of a heart and brains, for example through the communications system and the battalion, company, and platoon chains of command. At the same time, personal weapons and ammunition are always ready at the company command to meet any urgent combat needs.

At this point, the battalion commander turned to his left and pointed his finger at the outposts of each company. He solemnly said the cadres and combatants manning those outposts always maintain a high sense of vigilance against any adventurous military schemes of the enemies. The men stationed at each outpost have to build foxholes, barricades, and bunkers by themselves. Even though these units are short of construction materials, they still try to strengthen their positions and maintain full combat readiness.

More worthy of note was that the commander of the 2d Company told our reporters while visiting the outpost under his responsibility that his company routinely provides ideological training to all cadres and combatants, thereby allowing them to be fully aware of the enemy's true nature and schemes to maintain a sense of combat readiness. These units also maintain an adequate supply of water in their own containers and clean their weapons once a week so as to maintain a high level of combat readiness.

The preparations of the combatants stationed at the outposts of Ban Mai, Ban Kang, and Ban Savang villages clearly show that these units are ready to engage in any close combat fighting with the enemy. Indeed, these units stand ready to fight at any time.

#### BRIEFS

SOVIET FILM WEEK -- Vientiane, August 8 (KPL) -- The Ministry of Culture in collaboration with socialist embassies to Laos opened here on August 6 a film week in anticipation of the 70th anniversary of the Great Russian October Revolution. Present at the opening ceremony were Thongsing Thammavong, member of the LPRP CC, minister of culture, together with other members of the party CC, ministers, deputy-ministers, diplomatic envoys, and cadres from state institutions. Films shown during the film week reflect the influence of the October Revolution on other countries and the economic development of socialist countries since liberation. [Text] [Vientiane KPL in English 0908 GMT 8 Aug 87 BK]

SOVIET-LAO FRIENDLY MEETING -- Vientiane, August 10 (KPL) -- A friendly meeting between Lao and Soviet construction workers was organized at the Soviet Cultural Centre here on August 8 to mark the "constructor day." The meeting, jointly sponsored by the national construction company and Soviet experts here, aimed at marking the contributions of Soviet workers, engineers and experts to the national and international construction. Films on achievements scored by Soviet workers at home and abroad were screened on this occasion. [Text] [Vientiane KPL in English 0914 GMT 10 Aug 87 BK]

PRESIDENT AQUINO TO VISIT VATICAN IN OCTOBER

HK120405 Hong Kong AFP in English 0141 GMT 12 Aug 87

[Text] Manila, Aug 12 (AFP) - Philippines President Corazon Aquino will visit Italy in October, attending the canonization of the first Filipino saint at the Vatican, official and diplomatic sources said here Wednesday.

The sources said details were not yet finalized except for Mrs. Aquino's attendance in the October 18 canonization of Lorenzo Ruiz, a 17th century Filipino lay missionary who was martyred in Japan.

The visit, Mrs. Aquino's fourth foreign trip since taking power in February 1986 in this predominantly Roman Catholic country, could last a week, the sources said.

Mrs. Aquino was considering a tour of France, West Germany, Britain and Spain in 1988, they added.

PRESIDENT'S REACTION TO ENRILE PROCLAMATION

HK130727 Quezon City Sports Radio 738 in English 0600 GMT 13 Aug 87

[Excerpt] President Aquino considers the Supreme Court decision ordering the proclamation of opposition senatorial bet Juan Ponce Enrile as another indication of democracy in action and in practice. Press Secretary Teodoro Benigno quoted the president as saying that the Supreme Court decision was a rebuttal of criticisms of the highest court of the land. [passage omitted]

AQUINO APPROVES NATIONAL BUDGET FOR 1988

HK130443 Manila Far East Broadcasting Company in English 2300 GMT 12 Aug 87

[Text] President Aquino and her cabinet approved the national budget for next year amounting to 169.5 billion pesos. Art Pabellon reports:

[Begin recording] This budget will be submitted to Congress for study, approval, or modification and will then appropriate the necessary funds for it. [sentence as heard] Budget Secretary Guillermo Carague, in a talk with newsmen after the cabinet meeting yesterday, said about 30 percent of the budget, or 67.8 billion pesos, will go toward the servicing of the national debt, amounting to more than \$28 billion. Secretary Carague also said:

[Begin recording] Out of the increased [words indistinct] for education and trade and industry, and the agrarain [words indistinct] program. As for defense, percentagewise it is not really that.... [end recording]

REACTIONS TO REPORTED 'ONE-CHINA VIOLATIONS'

HK121349 Manila THE MANILA CHRONICLE in English 11 Aug 87 pp 1, 6

[By staff reporter Marites Sison]

[Text] The Chinese Government has reportedly recommended that the Philippine Embassy in Beijing be reduced to a consulate as an expression of its displeasure over what it perceived to be the Philippine Government's violation of the one-China policy, foreign office sources said yesterday.

Beijing's proposal was reportedly relayed to Philippine ambassador to China Alfonso T. Yuchengco, who is scheduled to arrive in Manila this week.

DFA [Department of Foreign Affairs] sources said Yuchengco had advised the home office three weeks ago that he would be coming to Manila to discuss China's "diplomatic protest" and its questions about Philippine policy encouraging Taiwanese investments in the country.

DFA sources also said Chinese ambassador to the Philippines Chen Songlu, who met with Vice President and Foreign Affairs Secretary Salvador Laurel several weeks ago, had been asked to report to Beijing for consultations on the matter. The Chinese Embassy refused to comment on the report, but said that Songlu left for China last Aug. 4 "for a vacation".

Diplomatic sources earlier said the Philippine Government had embarrassed the People's Republic of China [PROC] on several occasions.

The PROC reportedly considered Laurel's visits to Taiwan last year an "unpleasant act", more so because it had not been notified about the trip.

Last July 6, when President Aquino received a delegation of Taiwanese businessmen who wanted to invest in the country, the government reportedly referred to Taiwan as "Republic of China" 11 times -- something Beijing interpreted as a violation of the country's one-China policy.

The latest "violation" took place a few weeks ago when several congressmen visited Taiwan to observe and study its land reform program.

Spokesman Says Policy Unchanged

HK130531 Manila Far East Broadcasting Company in English 2300 GMT 12 Aug 87

[Text] Press Secretary Teodoro Benigno said yesterday the Philippine Government has not changed and has no intention of changing its one-China policy. He said the government has already responded to China's protest concerning the issue. [Benigno recording indistinct]

## 'Cordial Ties' Said Restored

HK130351 Hong Kong AFP in English 0349 GMT 13 Aug 87

[Excerpts] Manila, Aug 13 (AFP) -- The Philippines and China have restored cordial ties after an apparent diplomatic row caused by Manila's dealings with Taiwan, diplomatic sources said here Thursday.

Manila newspapers had reported that Beijing was threatening to downgrade diplomatic relations for violations for the one-China policy that underpins bilateral ties established in 1975.

Both countries played down the issue.

Philippine Foreign Affairs Department spokesman Rora Tolentino said Thursday that reports of a threat to downgrade ties were "pure speculation," and issues between the two countries were "handled within normal diplomatic channels."

Chinese Embassy spokesman Liu Xincheng refused to comment, saying only that "we always treasure the friendship between the two countries." [passage omitted]

Strains in ties were confirmed when presidential press secretary Teodoro Benigno publicly apologized Wednesday for the mistake, which appeared in a statement about a courtesy call by Taiwan businessmen on Mrs. Aquino.

The Philippines has a large Chinese community divided between pro-Taiwan and pro-China groups. China is a crude oil supplier to the Philippines, and trade ties have improved steadily in recent years.

President Corazon Aquino has accepted in principle an invitation to visit China but details still have to be worked out, Mrs. Tolentino said.

HOUSE TO REPUDIATE PROPOSED PLANTERS LOAN

HK121437 Manila PHILIPPINE DAILY INQUIRER in English 11 Aug 87 pp 1, 8

[By Louie Logarta]

[Text] Speaker Ramon V. Mitra yesterday committed the House of Representatives to repudiating the government-guaranteed \$57-million (P1.14 billion) loan extended to Planters Products Inc. [PPI] by a consortium of foreign banks led by the British Barclays Bank.

Mitra's statement followed an admission by Central Bank Gov. Jose Fernandez that the foreign banks that syndicated the loan virtually blackmailed the Aquino administration into assuming it.

At the same time, Mitra said Finance Secretary Jaime Ongpin was "valuable but not indispensable" when asked to comment on a reported threat of Ongpin to quit if the PPI loan is repudiated by the government.

Ongpin had been quoted as saying a repudiation of the PPI loan would imperil the debt-restructuring accord he and Central Bank Gov. Jose Fernandez had reached with creditor banks last month.

"Jimmy Ongpin is one of the most knowledgeable monetary officials in the country and we hope we don't lose him because he is very valuable. But although he is valuable. He is not indispensable," Mitra said.

He added that the House would support the finance secretary in several areas regarding the country's debt restructuring but not in the area of debt repudiation.

"It (PPI loan) is clearly detrimental to the interest of the Filipino people and it must, therefore, be repudiated," the speaker said.

Earlier, Sen. John Osmena accused some of the country's financial managers close to Ms. Aquino of having misled her into signing Executive Order [EO] NO 219 providing for the settlement of the PPI loan.

He told the INQUIRER that the people who worked out the order may profit by at least P400 million.

The INQUIRER story also quoted Osmena as saying that the payment made by the government for the PPI loan was higher than the value of what could have been a "worthless" note of the PPI which was on the verge of defaulting to the 12 creditor banks led by Barclays.

Mitra also called for the creation of a bicameral congressional committee to investigate the "terribly one-sided" loan.

"We were held up by Barclays Bank," Mitra said. "If there is a loan we have to repudiate, this is it."

Mitra told reporters Barclays had pressured the Philippine government into guaranteeing the PPI loan by purposely delaying the talks to reschedule the country's foreign debt.

He said Barclays, which is the equivalent of the Philippine National Bank, is the lead bank in a 12-member consortium which had extended "several hundred millions dollars worth of loans" to the country that needed to be restructured.

The refusal of foreign creditors to restructure the loans which were due, Mitra said, would lead to a default on the part of the Philippines, adding that "such a default would lead to terrible consequences on our economic recovery program. It is as if Barclays had held a gun to the head of the Philippine Government."

He called on the British Government to make good its promise to help the Philippines in its recovery program. "Maybe the British Government can do something to ease the loan terms since they own Barclays."

Mitra also directed the House committee on ways and means to look deeper into the details of the PPI loan. He said the committee will invite several government officials to shed light on the country's foreign debt situation.

President Aquino earlier signed EO No. 219 which appropriated P620 million to pay PPI's foreign obligation which had been secured through a letter of understanding issued by the Marcos regime.

PPI had imported fertilizer raw material with the understanding that the Marcos government would subsidize the imports at P10 per bag and thus effectively bring down the cost of production. But until now the subsidy has not been paid, leaving PPI with a huge outstanding obligation.

Mitra said Ms Aquino had no choice because if she did not sign the EO, "the rest of our loans would not have been restructured."

The PPI loan, Mitra said, was the last loan restructured by the Aquino administration before Congress convened last July 27. "This was the only loan which held up the restructuring of the country's other foreign loans," he said.

Mitra's hardline stand against the payment of the PPI debt was seen as an indication of the House's support of Ms Aquino's call for "selective repudiation" of crooked loans obtained by the Marcos regime. Under the 1987 Constitution, all appropriation measures exclusively emanate from the House.

#### FINANCE SECRETARY INSISTS ON PRIVATIZATION

HK121227 Manila PHILIPPINE DAILY INQUIRER in English 11 Aug 87 p 6

[Text] Finance Secretary Jaime Ongpin has insisted that there is no reason for President Aquino to defer the privatization of some 18 government-owned and controlled corporations, especially those under the Philippine National Oil Company [PNOC].

The President last week decided to defer some of PNOC's subsidiaries including Petron Corp. and the Bataan Refinery Corp., a move interpreted as a rebuff of Ongpin's insistence to privatize these firms.

Ongpin said the Committee on Privatization [COP], which he also heads, has written the President asking for clarification on the reasons for her decision to defer the sale.

"If it is a matter of additional information we would like to know what are needed so that the COP can meet with the 18 companies to develop the needed information," Ongpin said.

About Petron, Ongpin said he has informed the President that the issue on its privatization has been discussed at great length.

"We (the COP) do not feel that there is any reason to defer the thing (Petron's sale) indefinitely," Ongpin stressed.

Ongpin said he has also asked for a meeting with the President together with the COP and the PNOC board "so we could have a final discussion and decision on the matter."

The PNOC headed by Manuel Estrella has stubbornly rejected Ongpin's insistence to sell the companies primarily because of their strategic importance and highly profitable positions.

REVIEW OF ASEAN'S 20 YEARS OF COOPERATION

BK090822 Bangkok Domestic Service in Thai 0000 GMT 7 Aug 87

[Article: "20 Years of ASEAN"]

[Text] On 8 August 20 years ago a declaration was signed in Bangkok establishing the Association of Southeast Asian Nations, or ASEAN. ASEAN now comprises six members -- Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. The ASEAN Declaration emphasizes interests among member countries in the common search for political solutions to regional problems; in strengthened bonds of friendship among the peoples of the member countries; and in the promotion of peace, stability, cooperation, and mutual economic, social, and cultural assistance, with the aim of raising the living standards of the people in each member country.

In the early years after the establishment of ASEAN, the member countries tried to eliminate the suspicion and disputes existing among them in the past and they succeeded greatly in creating friendship, security, and stability among themselves. ASEAN also tried to forge stability and security in the region free of every form of external interference.

Regarding economic cooperation, ASEAN tried to expand intraregional trade with the aid of a preferential trade system, which amounts to special tariff rates for products imported from member countries. The number of products traded under the preferential trade system increased steadily since the system was introduced in 1977.

In industrial cooperation, ASEAN member countries cooperated in establishing three major industrial projects by requiring co-investment in a major industrial project in each of the member countries.

Another ASEAN success is the unity demonstrated in its close coordination and consultations in its relationships with countries outside the region and in the international arena. ASEAN has always reached a consensus whenever it has to make a stand on international issues. It has received the recognition of developed countries, particularly its dialogue partners -- the EEC countries, the United States, Japan, Canada, Australia, and New Zealand -- resulting in other groupings of countries looking to ASEAN as a model of success.

This year is very significant for ASEAN and Thailand because an ASEAN summit will be held December in Manila and ASEAN will mark its 20th anniversary. The third ASEAN summit in Manila will discuss solutions to and expansion of various forms of cooperation in order to set relevant policy and guidelines. Thailand places great importance on the summit, particularly in expanding economic cooperation among the member countries. Various ASEAN offices involved in the preparations for the summit have been studying ways and means to strengthen intraregional trade and economic cooperation. The summit will also establish a clear position for the association's dealings with economic problems outside the region, such as commodity prices, trade protectionism and international financial problems, so that the member countries will deal with them similarly which will enhance ASEAN's bargaining power and better coordinate the economic interests of the member countries.

Although the summit will focus on economic cooperation, it will also consider political, social, and cultural cooperation within the framework of ASEAN as well.

In short, since its inception in 1967, ASEAN has been successful in maintaining stability in the region, thereby enabling member countries to continue their domestic development. ASEAN's cooperative activities have broadened continuously in the past 20 years.

Thailand, as the host for the meeting of the ASEAN Standing Committee, has always attached great importance to ASEAN. This policy is correct and has benefited the country as far as its security and economic development is concerned.

#### SITUATION ALONG CAMBODIAN, LAO BORDERS REPORTED

BK120951 Bangkok Domestic Service in Thai 0530 GMT 12 Aug 87

[Text] The Supreme Command Information Office has reported on the situation along the Thai-Cambodian border for the past week. Vietnamese troops continued to fire artillery shells to obstruct the Thai side at Chong Bok, Nam Yun District of Ubon Ratchathani Province. Retaliation by the Thai side resulted in the loss of a number of Vietnamese arsenals and military outposts.

There were clashes between Vietnamese troops and CGDK forces in areas opposite Ban Kruat District of Buriram Province, Pong Nam Ron District of Chanthaburi Province, and Boi Rai District of Trat Province during which Vietnamese shells occasionally landed on Thai territory. However, no casualties were reported.

As for the situation inside Cambodia, the Vietnamese side has shifted personnel and weapons as they prepare to suppress and block the CGDK forces in Srei Snam, Kralanh, and Banteay Ampil Districts of Siem Reap-Oddar Meanchey Province; and Phnum Srok, Thmar Puok, and Sisophon Districts of Battambang Province.

As for the situation along the Thai-Lao border, it was reported that, since the beginning of July, about 2,000 Vietnamese troops who had completed their duties in Cambodia moved into Laos as reinforcements to suppress resistance groups along the Thai-Lao border.

#### DEFENSE MINISTER ON WAR RESERVE SITE WITH U.S.

BK120841 Bangkok Domestic Service in Thai 0530 GMT 11 Aug 87

[Text] Defense Minister Air Chief Marshal Phaniang Kantarat told reporters before attending a cabinet meeting at Government House on 11 August that Thailand and the United States are still undecided on the location of a joint war reserve stockpile. Thai and U.S. officials will soon hold another meeting on this matter in Hawaii.

The defense minister said the United States wants the storage area to be a completely new facility at a site where unloading from ships is convenient. Thailand believes it is not necessary to construct a new storage facility, and the conditions for unloading from ships is no not important as long as the site is good for transporting weapons for use.

He said most of the reserve weaponry will consist of ammunition and a few guns. He expected purchasing to begin in the 1988 fiscal year. Each side will gradually procure weapons for the reserve according to an agreement reached between Thailand and the United States.

PRC COMMERCIAL SATELLITE PURCHASE UNDER CONSIDERATION

BK110913 Bangkok XIN ZHONG YUAN RIBAO in Chinese 8 Aug 87 p 8

[Text] The China Great Wall Industry Company has invited a Thai deputy communications minister to observe the satellite related business of China to pave the way for an offer to sell satellites to Thailand in the future, which could be carried out under the barter trade system.

Deputy Communications Minister Suraphan Chinnawat disclosed that Thailand has plans to buy a satellite from China for commercial use. A committee with representatives from the Communications; Agriculture and Cooperatives, Science, Technology, and Energy; and Defense Ministries has been set up to consider whether it is worth spending 3 billion baht to buy a satellite.

The China Great Wall Industry Company has also suggested that China is willing to cooperate with Thailand in investing in the development of the Thai computer industry if the Thai side is short of funds to invest in such business.

CABINET APPROVES INTERIOR MINISTRY 'RESHUFFLE'

BK120002 Bangkok THE NATION in English 12 Aug 87 p 2

[Text] Siri Kewalinsarit, director general of the Lands Department, will become the new Labour Department chief, replacing Chamman Photchana, who was named yesterday to head the Public Works Department.

The appointment was approved by Cabinet yesterday. Cabinet also approved the reshuffle and promotions of the other 29 senior Interior Ministry officials.

Siri, 58, has led the Lands Department since 1981 while Chamman, 56, was appointed as head of the Labour Department about seven years ago.

Siri will be succeeded by the secretary general of the Accelerated Rural Development Office, Dhavee Choosap.

Meanwhile, Policy and Planning Office Director General Sanan Wongphuaphan was named to lead the Accelerated Rural Development Office. Sanan will be replaced by the director general of the Public Welfare Department, Pramun Chantharachamnong.

Chiang Mai Governor Chaiya Phunsiriwong who has served in the post for about eight years will succeed Pramun and Chainat Governor Phairat Decharin will become the new governor of the northern province.

The other crucial changes are as follows:

- Udon Thani Governor Saisit Phonkao as Chainat governor
- Yasothon Governor Charuai Yingsawat as Udon Thani governor
- Nonthaburi Governor Sukit Chanlanan as Nakhon Pathom governor
- Samut Sakhon Governor Prida Muttaharat as Kanchanaburi governor
- Phayao Governor Sutchit Khowanit as Samut Sakhon governor
- Mae Hong Son Governor Khongsak Liumanomon as Ang Thong governor
- Nakhon Si Thammarat Governor Sub Lt [Sub Lieutenant] Sukri Raksithong (RTN) [Royal Thai Navy] as the minister's inspector general

-- Surat Thani Governor Nippon Bunyaphattharo as Nakhon Si Thammarat governor  
-- Pattani Governor Wirot Ratcharak as Surat Thani governor  
-- Samut Songkram Governor Banlom Phuchongkhakun as the ministry's inspector general  
-- Ministry's Inspector General Withan Suwannathat as Samut Songkram governor  
-- Uttaradit Governor Thawat Makaraphong as Pichit governor  
-- Pichit Governor Thawatchai Somsaman as Uttaradit governor  
-- Sing Buri Governor Chammong Yupho as the ministry's inspector general  
-- Public Works Department Deputy Director General Chinda Kunlawattho as the department director general  
-- Deputy Chiang Rai Governor Sakda Lapcharoen as Phayao governor  
-- Surat Thani Governor Chammong Khumrak as Pattani governor  
-- Phitsanulok Deputy Governor Maj Chaloem Suphamon as Ranong governor  
-- Buriram Deputy Governor Loet Banlengsano as Yasothorn governor  
-- Nonthaburi Deputy Governor Prinya Nakchattri as the provincial governor  
-- Ubon Ratchathani Deputy Governor Thakoeng Charoensi as Surin governor  
-- Nakhon Ratchasima Deputy Governor Pramun Sangkhamani as Mae Hong Son governor, and  
-- Community Development Department Director General Suwanai Thongnop will retain his post for another year.

The reshuffle and the promotions will be effective from October 1.

#### DROUGHT CUTS RICE CROP BY 2 MILLION TONS

BK120003 Bangkok THE NATION in English 12 Aug 87 p 1

[Text] The drought will cut the paddy output in this crop season by two million tons, leaving only about 14.69 million tons for the harvest later this year, according to a report of the Office of Agriculture Economics presented to a high-level national meeting on the drought problem at Government House yesterday.

The decrease in the paddy output will not cause a shortage of rice for domestic consumption because the Commerce Ministry has about five million tons of rice in stock. But it will reduce the supply for export, the report said.

The drought has also damaged many maize plantations and it is expected that maize output this year will be about 3.6 million tons, a decrease by about 700,000 tons from last year.

The meeting chaired by Deputy Premier Adm Sonthi Bonyachai heard a report from the Royal Irrigation Department that there is enough water in the Phumiphon and Sirikit dams for generating electricity unit August 18 if the dry spell in the North and the Northeast continues this week.

The meeting set up five sub-committees to cope with the drought. The sub-committee on water allocation is chaired by Sonthi; the sub-committee on the use of electric power is chaired by the general manager of the Electricity Generating Authority of Thailand; the sub-committee on relief of shortage of drinking water is chaired by the permanent secretary for interior; the sub-committee on drought relief in the Northeast is chaired by the army commander-in-chief; and the sub-committee to help farmers affected by natural disasters is chaired by the permanent secretary for agriculture.

These five sub-committees will have to report to the National Water Resources Development Policy board once every 10 days. The policy board is headed by the premier.

The premier told the Cabinet meeting yesterday that every minister should pay close attention to problems of the drought and join forces in helping one another cope with the problems without separation of works along ministerial line of division.

The premier also reminded all Cabinet members to make full use of the little budget money available to give maximum benefits to the people.

#### Commerce Minister's Statement

BK100838 Bangkok Domestic Service in Thai 0530 GMT 8 Aug 87

[Statement by Commerce Minister Montri Phongphanit; date and place not given -- recorded]

[Text] The Commerce Ministry has instructed commerce offices in all provinces to survey the amounts of both white rice and paddy in stock. The Internal Trade and Foreign Trade Departments have also been keeping a close watch on the situation. I would like to inform you that we have about 1.3 million tons of white rice in stock nationwide and about 6 million tons of paddy.

Based on a survey conducted by provincial commerce offices and information provided by the Agriculture and Cooperatives Ministry, the production of paddy next year is estimated at about 15 million tons or over 9 million tons of white rice, despite the drought. This year's total for exported rice is about 4 million tons, while about 1 million tons of white rice will remain in the country.

Although production might drop due to drought we will have enough rice left for domestic consumption. However, the problem is that we may have to decrease our rice exports next year. I would like to confirm here that no one should panic or be afraid because we will have enough rice for consumption next year. It is the duty of the Commerce Ministry to oversee rice trade in the country and rice exports. However, rice prices may increase slightly due to the production drop.

With hundreds of thousands of tons of rice in stock, we have worked out measures to cope with this problem. The worst would be that we can produce only 13 or 14 million tons of paddy. If that happens, we will still have enough rice for domestic consumption. But our rice exports might drop to only 1 million tons and we would earn less foreign exchange.

At present, we will not delay our rice exports. We will continue to export and sell our rice as normal in order to earn foreign exchange needed for the development of our economy. I believe that other ministries are also taking necessary actions in all parts of the country. The government is doing its utmost to solve the problem of water shortage.

NHAN DAN ADVISES THRIFTY USE OF FOREIGN EXCHANGE

BK111330 Hanoi Domestic Service in Vietnamese 2300 GMT 10 Aug 87

[NHAN DAN 11 August editorial: "Spend Thriftily, Especially Foreign Exchange"]

[Text] The utilization of resources is always a major policy of a nation. At a time when the country is still poor, a new economic structure is gradually taking shape, and domestically produced products are scarce and of poor quality, the utilization of resources must reflect a high degree of thriftiness and encourage the use of domestic goods.

All countries have to minimize their use of foreign currencies, especially the strong ones, to purchase consumer goods. Since our country is trying very hard to balance exports and imports, we must save every cent of foreign currency. While some sectors, localities, and primary installations are setting examples of thrift, many others have spent very wastefully. Many construction projects have been wastefully built for show with very low economic results. Shops and markets are large but display very few goods. Cultural houses are also large but the performances and content of plays are poor and they have had to stay closed for several nights. Luxurious hotels have been built but not many rooms have been used.

While foreign currency is badly needed, some agencies have used foreign exchange to purchase unneeded consumer goods. In lieu of cars that can be purchased from socialist countries, the latest models from capitalist countries have been purchased. While domestically manufactured fans can be used and some other things can be exported, we still use foreign currencies to buy foreign made fans. Even though calendars can be printed domestically, some agencies still have them printed abroad, and so forth. All these indicate a failure in calculating economic results and an unethical lack of empathy with the difficulties of the country and people.

Our party and state are seeking all measures to care for the livelihood of the people. A minimum standard of living must be ensured for troops, cadres, workers, and the people, especially in terms of the staple commodities, and the standard of living will be raised gradually depending on the momentum of economic development. Nevertheless, thrift must thoroughly permeate the policy on the utilization of resources, especially among the various agencies of the party and state, the army units, and cadres and the people.

We should not use public funds to spend lavishly. Foreign currency must be used cent by cent in the most profitable way, even in the importing of equipment, production means, and consumer goods. If we can purchase something with our own currency, we should do so. Whenever domestic goods are available, we should use them.

The people have exerted much manpower to produce rice and generate money. A single unit of foreign currency is very precious. Any organization that plans to use foreign currency should think first of the effort of those who have earned it in order to spend it thriftily. In the interests of the entire society and in their own interest, the people should supervise all spending by organizations. Financial control and inspection agencies should develop their role in supervising all spending, especially of foreign currency, in order to reduce expenses and balance budgetary expenditure, exports, and imports.

BETTER PLANNING IN CASH MANAGEMENT URGED

BK070635 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Aug 87

[NHAN DAN 5 August editorial: "Management of the Use of Cash"]

[Text] As a result of many factors, of which the immediate ones are budget deficits and price fluctuations, the amount of cash in circulation has increased with each passing day. The amount of cash used by the state to buy products from the people and to pay for production work under contract accounts for nearly half of the total cash expenditures. The second largest amount goes to the implementation of the wage, allowance, and price compensation systems.

Recent capital construction activities, especially at the local level, have also consumed a substantial amount of cash. Some localities and production establishments have used cash to buy agricultural products and foodstuffs at exorbitant prices for export or for distribution in exchange for materials which were then used for unplanned construction projects that do not directly serve production. These practices have further aggravated the imbalance between cash and commodities and have made cash control even more difficult.

While cash expenditures have increased, the sources of revenue have failed to expand accordingly. At present, the most significant source of cash inflow is the sales of commodities, but this source can meet only part of the demand for cash to be used by the state in payment for the purchase of products from the people. The cash inflow through the banking system is low compared to the amount of cash currently held by various economic organizations and state agencies. The practice of keeping cash instead of depositing it in the bank is prevalent, and even state-run trade organs have indulged in this practice. Instead of turning over their cash to the bank after selling their goods, some trade organs have recorded in their books that all their earnings had been spent while in reality they were still on hand. Through this bookkeeping method, a number of localities have used up as much as 40 percent of their total cash earnings.

To help reduce budget deficits, slow down the inflation rate, and gradually restore the balance between commodities and cash in circulation, we should, along with adopting measures to promote production and balance budget income and expenditure, further enhance the management of cash flow. We must strictly control and manage credit services and the implementation of cash control regulations to minimize cash overspending.

The state banks are dutybound to try by all means to ensure sufficient cash to meet the demands of production, business, goods control, and other socioeconomic activities. This objective can be achieved only through close coordination between well-planned issuance of banknotes and well-organized circulation of commodities. This will help accelerate the circulation of goods in the socialist trade system and the cash flow through the banking system. We should boldly improve and broaden the forms of collection of cash for the banking system to satisfy the cash demands of various economic organizations through more convenient services. On this basis, we will urge economic organizations to quickly turn over their cash holdings to the bank and to observe cash management discipline. It is also necessary to adequately broaden the forms of noncash payments to satisfactorily serve production and business operations.

On the other hand, in the process of socialist transformation, we must fully exploit and effectively utilize the sources of money belonging to the people, private economic elements, and small producers of goods. Credit services should be improved. In planning bank loans, we should think of the possibility of mobilizing the idle sources of capital in society. Credit-generated capital should be used in a concentrated fashion to serve the three major economic programs. Bank loans should not be granted for unplanned capital construction projects. The practice of seeking credit for illegitimate business activities must be stopped.

To do a good job of managing the use of cash is an important measure aimed at contributing to developing the aggregate strength of various financial tools -- money, credit, and payment -- to serve and promote the fulfillment of various socioeconomic tasks.

#### MINISTRIES ISSUE JOINT NOTICE ON DROUGHT

BK070741 Hanoi Domestic Service in Vietnamese 1100 GMT 6 Aug 87

[Text] Today, 6 August, the Ministries of Agriculture and Food Industry, Energy, and Water Conservancy jointly issued the following notice on the current drought situation:

This year the planting of the summer-fall rice crop has attained only 99 percent of the planned target acreage. Rice is now growing ears. Rice harvesting is just being conducted in some areas where rice was planted early.

In the north, the planting of 10th-month rice is near completion. There remain only a few areas where rice was planted late -- following the planting of jute -- and some other upland areas in the mountain and midland regions. In the south, rice planting has thus far achieved only about 40 percent of the planned target. Rice is developing favorably. However, because rainfall has been either irregular or lacking altogether and electricity, gasoline, and oil are in short supply, certain areas in a number of localities have been severely hit by drought.

In the north, over 200,000 hectares of land have now been hit by drought, including 20,000 hectares with cracked soilbeds. Nearly 20,000 hectares of land in the area irrigated by electric pumps in Thanh Hoa are now in need of water for rice transplanting.

In the south, 305,000 hectares of rice have been hit by drought. In Minh Hai 160,000 hectares of already-plowed land have dried up and another 10,000 hectares of already-planted rice has died.

Faced with this situation, the three ministries and the Office of the Council of Ministers jointly held an unscheduled meeting on the morning of 6 August in which they unanimously adopted the following urgent measures:

1. From 7-20 August 1987, electricity for agriculture will be supplied to various provinces on the 20/24 and 24/24 hour basis as follows:

Thanh Hoa will get 9,000 and 3,000 kw; Nghe Tinh, 9,000 and 3,000 kw; Ha Nam Ninh, 15,000 and 7,000 kw; Hai Hung, 11,000 and 3,000 kw; Hai Hung, 11,000 and 3,000 kw, Thai Binh 5,000 and 2,000 kw; Ha Bac, 7,000 and 3,000 kw; Hanoi, 4,000 and 2,000 kw; Ha Son Binh, 4,000 and 1,000 kw; Vinh Phu, 3,000 and 1,000 kw; Haiphong, 3,000 kw; Quang Ninh, 1,000 kw; and Bac Thai, 500 kw.

2. The three ministries suggested that the Council of Ministers and the State Planning Commission provide the Ministry of Energy with 5,000 metric tons of oil so it can prepare for operating its gas-turbine generators to provide quick electricity for operating its drought and waterlogging control purposes. Meanwhile, the ministries also asked the Council of Ministers and the State Planning Commission to further supply the [word indistinct] oil to the Ministry of Energy so it can ensure the operation of its power-generating plant.

3. The State Planning Commission and the Ministry of Supply are requested to provide the Ministry of Agriculture and Food Industry with 5,000 metric tons of oil quickly for drought control purposes in accordance with the spirit of the Council of Ministers' Directive No 228-ct of 22 July 1987. This is to enable the Ministry of Agriculture and Food Industry to promptly distribute oil to Kien Giang, Minh Hai, Cuu Long, Hau Giang, Long An, Phu Khanh, and Binh Tri Thien Provinces for drought control purposes.

4. Localities are required to use their allocated amounts of electricity and oil reserved for agriculture only to fight drought and waterlogging in ricefields. They should not use the allocated electricity and oil for other purposes. The three ministries urged various provinces, while fighting the drought, to take precautions against waterlogging that may occur during the 10th-month cropping season and to prepare necessary measures to combat waterlogging when necessary.

5. The three ministries appointed the following comrades to a standing body of the three ministries to take charge of directing and following up waterlogging and drought control activities during the 1987 10th-month cropping season:

-- Ministry of Energy: Comrade Ho Sy Loi, chief of the Power Energy Supervision Section.

-- Ministry of Water Conservancy: Comrade Thai Van Le, deputy head of the Farmland Irrigation Department.

-- Ministry of Agriculture and Food Industry: Comrade Tran Viet Chi, head of the Production Department.

It is requested that provinces quickly report to the three ministries on developments regarding the drought and waterlogging situation if timely measures are to be taken to meet requirements arising from production and to ensure a successful 10th-month cropping season.

#### Measures Said Not Implemented

BK120754 Hanoi Domestic Service in Vietnamese 2300 GMT 11 Aug 87

[Text] On 6 August, the Office of the Council of Ministers met with representatives of the Ministries of Agriculture and Food Industry, Water Conservancy, and Energy. At the meeting it was decided to take a number of urgent measures to protect the 10th-month rice from drought. Nevertheless, for the past 3 days, almost all of those commonly agreed upon measures have not been implemented. Contrary to what was announced in the press, no additional power supply has been provided for electrical pumping stations of the local irrigation corporations and enterprises. The time and frequency of power supply shutdowns still remains the same.

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**DATE FILMED**

August 14, 1987

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